

LUGAR PILOT/SIMPLIFIED SUMMER FOOD PROGRAM

- PURPOSE:** To explain some provisions of the reauthorization act, relating to the Simplified Summer Food Program.
- SCOPE:** Sponsors of the Summer Food Service Program for Children (SFSPC).
- DEFINITION:** The Simplified Summer Food Program is an expansion of the pilot project that was previously known as the 14-State Lugar Pilot Project, and is authorized by the Child Nutrition and WIC Reauthorization Act of 2004.

The reauthorization act, which amends the Richard B. Russell National School Lunch Act (NSLA):

- Establishes simplified cost accounting procedures as a permanent provision,
- Retains the 14 current participating States,
- Adds six new eligible States through a revised eligibility formula, and
- Expands program to all SFSPC sponsors in eligible States, including private non-profit sponsors.

The Simplified Summer Food Program, like the initial 14-State Lugar Pilot Project, permits sponsors in eligible States to eliminate the operating and administrative cost comparisons required by the SFSPC regulations at 7 CFR 225.9(d)(7) and (d)(8). In brief, these simplified procedures allow sponsors to receive the maximum operating and administrative reimbursements based on the number of meals served, multiplied by the appropriate operating and administrative rates. In addition, sponsors may apply Program reimbursements to cover their combined operating and administrative costs.

SFSPC sponsors in Indiana that have been participating in the simplified cost accounting procedures may continue to do so to the completion of their SFSPC operations in 2004. Beginning in January 2005, private non-profit SFSPC sponsors may also participate in the simplified cost accounting procedures.

We must emphasize that sponsors participating in the Simplified Summer Food Program must continue to maintain a nonprofit food service for children, as required by section 13(a)(1) of the NSLA. Benefits to children and the quality of the program administration must not be diminished by this reduced burden for sponsors. Even though sponsors

will receive administrative and operating reimbursement payments without comparison to actual costs and their administrative budgets, they may only use operating and administrative funds to pay for allowable costs, as defined in the SFSPC regulations and applicable FNS instructions. Although sponsors will not be required to report costs, they must maintain records of expenditures in order to document their nonprofit food service.

SOURCE: FNS MEMORANDUM, DATED JULY 15, 2004, UNITED STATES
DEPARTMENT OF AGRICULTURE, FOOD AND NUTRITION SERVICE

